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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

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26 February 1980

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

26 February 1980

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM :

National Intelligence Officer for China-EAP

SUBJECT

: Warning Assessment: China-East Asia Pacific

The following items were discussed by the Community Representatives at the 20 February Warning Meeting.

Sino-Soviet

- 1. Analysts had not observed any change in the situation along the Sino-Soviet and Sino-Mongolian borders, except for the fact that the general trend in Soviet aerial reconnaissance activity had been generally upward this year as compared to a year ago. No draw-down of Soviet troop strength in the relevant MRs to provide fillers for Afghanistan had been noted.
- 2. It was assumed that the Chinese were providing assistance to the Afghan rebels, but they were not telling us what they were doing in this regard. The Soviets were closely watching presumed Sino-US collaboration in aiding the rebels and were alleging the US was playing the "China card," but were not stressing this issue. Chinese arms aid to Pakistan was continuing, with 15 MIG 19s recently delivered (not 16 as reported in last month's Warning Memorandum); it was anticipated that further Chinese assistance would be discussed when Zia visited China later this year. The Chinese were capable of making modest increases but could not supply high-technology items; they were, in fact, looking to the US in this regard and were exhorting us to make our own aid to Pakistan worthwhile.

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3. As a consequence of the Afghanistan situation and Chinese involvement in helping Pakistan, the Chinese were attempting to improve their relations with India and to assure the Indians that the Sino-Pakistan relationship did not constitute a threat to them.

China Internal

- 4. In discussing the implications of Deng Xiaoping's 16 January speech, analysts were in general agreement that Deng has succeeded in reestablishing political momentum since the beginning of the year and was now tackling in more direct fashion the question of the leftists within the Party. It was noted, however, that leftist influence persisted, as evidenced from the contrast between Peoples Daily editorials in early February stressing the need for stability and unity within the Party and a 5 February Peoples Daily "Commentator" article saying in effect that stability and unity could not be achieved unless those who undermined the Party line were removed.
- 5. It was pointed out in addition that although recent personnel shifts in the provinces and in Beijing had appeared to bring into greater prominence a number of supporters of Deng Xiaoping, leftists were still in place in senior positions in Fujien and in the Northeast; Han Xianchu, a presumed leftist in command of the Lanzhou Military Region, had also just been named to the Military Control Commission. (A possible compromise was indicated by the simultaneous appointment of three supporters of Deng to the MAC.)
- 6. Some analysts suggested that Deng had also reached a critical point in his relations with those who, while not disagreeing with his policy objectives, wanted to take a more conservative route. Given the fact, though, that Deng's line on modernization as established at the 3d Plenum of December 1978, appeared to have become firmly established, the possibility was raised that Deng may have made some trade-offs with the more conservative elements (e.g., by backing away from "big character posters") to assure their support.
- 7. Altogether, the chances of a donnybrook appeared to analysts to be remote. Nevertheless, personnel and leadership problems persisted. More light should be shed on this issue at the Party Plenum which began several days after our meeting.

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Indochina

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- 8. Analysts noted that while a major DRV military offensive in Western Kampuchea had still not developed, the level of Vietnamese military operations in this region had been stepped up. Some PAVN units, in fact, had made shallow penetrations of the Thai border to attack DK elements inside Thailand, and small-scale reconnaissance activities inside Thailand were continuing. PAVN reenforcements were still arriving, including several additional regiments of North Vietnamese. The scale of the military actions initiated by the Vietnamese was not yet alarming, but they had made contingency plans in the event that they found it necessary to cross the Thai border, either to close down DK resistance or to chastise the Thai, or both. The details of these contingency plans were fairly well known, and if the Vietnamese did decide to attack, the Thai would be unable to stop them. Seven PAVN divisions were now located in the vicinity of the Thai border.
- 9. On the DK side, DK units were now moving out of their holding centers near Takeo and shifting toward central Kampuchea; there had been other unusual DK movements involving elements of 1000 men or more. With the help of the Thai, Chinese logistical support was reaching the DK forces, which appeared to have emerged from the DRV's dry season attacks in far better shape than anyone had earlier anticipated. The next rainy season was now not too far off.
- 10. With respect to the refugee situation, it was reported that after some interruption by the DRV food supplies were once again filtering across the Thai border to Kampuchean refugees on the other side. Reference was made to a visit to this area by a State officer responsible for refugee affairs, who had seen far fewer refugees in camps inside Thailand than we had been accepting a total of less than 150,000 in all the major camps, as opposed to our own estimates of 600,000. He believed that groupings on the other side, although still present, were down to perhaps less than 15,000. No one was able to account for this apparent drop in numbers of refugees.
- 11. The question of Soviet logistical support for the DRV was addressed. Two of the SU-7 aircraft provided by the Soviets had now been assembled, and the Soviets evidently were also providing the Vietnamese with the 300 n.m. SCUD missile an addition which would certainly be of concern to the Chinese. On the other hand, Soviet logistical support flights by Soviet aircraft (which had stopped entirely in mid-January) had resumed at a level of less than half of what had been the previous norm. The reason for this reduced level of flights remained obscure, and any relationship to the Soviet involvement in Afghanistan was considered problematical. In physical terms the Soviet military presence in and around Vietnam was reported

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as being at a high level: 13 ships operating in the South China Sea, some of which had touched at Danang; two TU-95s conducting surveillance missions, and for the first time, two TU-140 antisubmarine aircraft, all out of Danang. The first visit by a Soviet combat vessel (an AGOR) to Ho Chi Minh City had occurred in this period. 25X1 12. No change had been observed in the force structures of the respective protagonists on each side of the Sino-Vietnamese border; approximately 250,000 Vietnamese troops vs 200,000 Chinese. 25X1 North Asia 13. The Koreas -- Analysts noted that the threat to an imminent counteraction against military strongman Chon Tu-Hwan appears to be reduced based on recent reporting from Seoul. There was general agreement, however, that suspicions and dissatisfaction with Chon continue, both within the military and in other quarters as well. enters an especially critical period as he attempts to broker a "proper" role in the ROK hierachy; students return to campus in March and economic problems are growing more apparent. At least one source has claimed Chon intends to use anticipated unrest (real or contrived) on the campus and in the labor markets to take control of the government. While Chon's motives continue to be an enigma, analysts generally do 25X1 not take his claims of political innocence seriously. 14. Analysts see the North still commited to following up on its initiative to reopen talks with the South to exploit a difficult period of political adjustment in Seoul after Pak's death. Korean I&W indicators were judged normal although analysts noted that 25X1 in February, for the first time in over two years, two DPRK Air Force exercises included offensive as well as defensive operations. 25X1 25X1

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